

VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I, Karen Chang, do on oath depose and state that if called as a witness herein, I would testify to the facts as follows:

1. I am an Economic Analyst in the Telecommunication Division of the Illinois Commerce Commission.

2. On November 26, 2003, Leaf River Telephone Company (“LRTC”) and L.R. Communications, Inc. (“LRCI”), collectively (the “Companies”), filed a petition for reorganization pursuant to Section 7-204 of the Illinois Public Utilities Act.

3. The Commission requires that the Section 7-204 of the Public Utilities Act (“PUA”) must be satisfied by the Petitioner and evaluated by the Commission prior to the Commission entering an Order in the instant docket.

4. Section 7-204 (b) provides that the Commission must find that:

- (1) the proposed reorganization will not diminish the utility's ability to provide adequate, reliable, efficient, safe and least-cost public utility service;
 - (2) the proposed reorganization will not result in the unjustified sub-sidization of non-utility activities by the utility or its customers;
 - (3) cost and facilities are fairly and reasonably allocated between utility and no-utility activities in such a manner that the Commission may identify those costs and facilities which are properly included by the utility for ratemaking purposes;
- * * *
- (5) the utility will remain subject to all applicable laws, regulations, rules, decisions and policies governing the regulation of Illinois public utilities;
 - (6) the proposed reorganization is not likely to have a significant adverse effect on competition in those markets over which the Commission has jurisdiction; and
 - (7) the proposed reorganization is not likely to result in any adverse rate impacts on retail customers.

4. The Petitioner provided sufficient evidence to satisfy all of the requirements of the above-noted sections 7-204 (b) (1), (2), (3), (5), and (6) of the PUA.

5. Therefore, recommend the Commission find that the Company's ability to provide quality telecommunication services will not be altered or have any potential adverse effects as a result of the reorganization.


Karen Chang

SIGNED AND SWORN TO BEFORE ME THIS 13th DAY OF
February, 2004.


NOTARY PUBLIC

